

# SECTION 1 GENERAL INFORMATION

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## **TRS MISSION STATEMENT**

The mission of the TRS Board is to promote long-term financial security for membership while maintaining the stability of the fund.

To earn the respect and trust of members, the TRS adheres to the following values: high ethical standards; honesty, integrity, and impartiality; dignity, respect and mutual support; and service excellence.

## **INTERNET ACCESS TO THE TRS**

Information regarding the TRS may be obtained by logging on to our web site at <http://www.trs.mt.gov>. This web site contains information and forms relative to active and retired members, benefit recipients, beneficiaries, school business officials, attorneys and interested persons.

## **SUMMARY OF INFORMATION HANDBOOK**

The TRS Summary of Information handbook is reprinted following each legislative session and mailed to you for distribution to the TRS members in your employment. A complete copy of the Summary of Information handbook is also available on the TRS web site.

## **UPDATING TRS REPORTING CONTACT INFORMATION**

Please update any change in the name and mailing or e-mail address of the individual responsible for reporting monthly contributions and/or insurance to the TRS using the on-line reporting systems. Include a daytime telephone number where the person responsible for reporting may be reached between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday. The TRS may need to contact the person responsible for reporting should there be any questions concerning your 'Monthly Earnings and Contribution Report' and/or insurance information submitted to the TRS.

## **TRS EMPLOYER NUMBER**

A six-digit TRS employer number is utilized for the identification of your reporting agency. This number is specific to each school district, county, state agency, and the units of the University System. Please make sure your TRS employer number is referenced on all correspondence to the TRS and on your 'Monthly Earnings and Contribution Report' and insurance information.

## **FUTURE UPDATES TO THE EMPLOYERS' MANUAL**

The Employers' Manual is provided by the TRS in a hard binder to facilitate future growth and is also available on the TRS web site. Replacement pages and sample forms will be available on the TRS web site as the TRS progresses through changes in policies, procedures, legislation and automation. The TRS will notify each employer when updates have been made to the Employers' Manual and are available on the TRS web site for downloading and printing.

## CONTACTING THE TRS OFFICE

The TRS office hours are 8:00 a.m. to 5:00 p.m., Monday through Friday, with a limited staff working from 12:00 p.m. to 1:00 p.m. The functions handled by each section and the telephone number for the appropriate TRS staff members are listed below.

### **Active Member Section - Telephone Number: 406 444-3324 or 406 444-4113**

Member's Statement of Account Questions	Purchase of Service/Roll-Over
Redeposit of Withdrawn Montana Service	Service Credit and Vesting
Account Balance Information	Estimate of Benefits
Retirement Planning Questions	Retirement Benefit Options
Retirement Application Materials	Beneficiary Designation
Legislative Updates	Eligibility for Membership
Family Law Order /Divorce	Name and/or Address Changes for Active Members
Service Purchase - Irrevocable Election Form	Termination Pay - Irrevocable Election Form
Transfer of Service between the TRS and the PERS – Telephone Number: 406 444-2465	

### **Retired Member Section - Telephone Number: 406 444-2441, 406 444-3185, or 406 444-3135**

Beneficiary Designation Updates for Retirees	Guaranteed Annual Benefit Adjustment (GABA)
Survivor Benefits and Minor Child Benefits	Tax Excludable Information
Federal Income Tax Withholding (FIT)	IRS Forms 1099-R for Retirees/Beneficiaries
Montana State Income Tax Withholding (SIT)	Change of Beneficiary Due to Death or Divorce
Name Changes for Retirees/Beneficiaries	Post-Retirement Earnings Limitations
Return to Full-Time Teaching Questions	Direct Deposit Bank Setup/Changes
New Legislation Affecting Retired Members	Family Law Order/Divorce
Name and/or Address Changes for Retirees/Beneficiaries	
TRS On-Line Web Insurance Reporting – Telephone Number: 406 444-3185 or 406 444-3135	

### **Refund Section - Telephone Number: 406 444-3323 or 406 444-3679**

Refund of Member Accounts	IRS Forms 1099-R for Lump Sum Distributions
Member Account Balance Roll-Over	Federal Income Tax Withholding
Refund to Employers	Tax Excludable Information

### **Membership - Telephone Number: 406 444-2540 or 406 444-3679**

Record for Membership Form	New Member Packet
Address changes	Name Changes

### **Contribution Reporting - Telephone Number: 406 444-3323, 406 444-2540, or 406 444-3679**

Monthly Reporting Questions	Overage/Shortage Questions
Contribution Reporting Deadlines	

### **Information Technology - Telephone Number: 406 444-3395 or 406 444-9293**

Web Reporting Sign-up	On-Line Internet Reporting
Web Site Information	Web Address: <a href="http://www.trs.mt.gov">http://www.trs.mt.gov</a>

## DEFINITIONS

For the purpose of the Employers' Manual, the following definitions apply:

**Average Final Compensation:** The average of a member's earned compensation during the three consecutive years of full-time service that yield the highest average and on which contributions have been remitted.

**Beneficiary:** One or more primary or contingent persons formally designated in writing by a member, and on file with the TRS, to receive a retirement allowance or payment upon the member's death.

**Board or Retirement Board:** The TRS Board as provided for in §2-15-1010, MCA.

**Earned Compensation:** Wages exclusive of maintenance, allowance, and expenses paid for services by a member out of funds controlled by an employer, before any pre-tax deductions allowed under the IRC are deducted from the member's compensation.

**Fiscal Year:** July 1st through June 30th.

**Full-Time Service:** Service that is at least 180 days in a fiscal year or at least 140 hours a month during nine months in a fiscal year.

**Hourly Maximum:** The 140 hours of employment per month at 7 hours per day required by the TRS, to be credited with a full month of service credit.

**Hourly Service:** Employment that will be credited for an individual employed on an hour-for-hour basis. Creditable service will be based on the number of hours worked each month in proportion to the hourly maximum.

**Instructional Services Capacity:** The education and instruction of students in the regular curriculum of the institution or to take part in the curriculum development.

**Part-Time Service:** Service that is less than full-time. Part-time service must be credited in the proportion that the actual time worked compares to full-time service.

**Part-Time Teacher's Aide:** An individual who works less than seven hours a day assisting a certified teacher in a classroom.

**Retired Member:** A member who has terminated **all** employment that is eligible for membership under the TRS and who has **received** at least one monthly retirement benefit.

**School Term:** The fiscal year July 1st through June 30th.

**Termination or Terminate:** The member has severed the employment relationship with their employer and that all, if any, payments due upon termination of employment, including but not limited to early retirement incentives, accrued sick and annual leave balances, have been paid to the member.

**Termination Pay:** Any form of bona fide vacation leave, sick leave, severance pay, amounts provided under a window or early retirement incentive plan or other payments contingent on the employee terminating employment and on which employee and employer contributions will be paid to the TRS.

## REPORTABLE EARNED COMPENSATION

Reportable earned compensation for **active** members represents an employee's base contract plus any additional compensation for instructional duties, to include, summer teaching contracts/summer school, coaching, referring, study hall monitors, and drivers' education. Earnings that are not reportable to the TRS include bus driving, custodian, ticket taking, hall/swimming monitors, food services/cafeteria, play ground aide, or information technology positions.

Adding an employer-paid or non-cash benefit to an employee's contract or subtracting the same or like amount as a pre-tax deduction is considered a fringe benefit and not earned compensation. Except as noted below, employer benefits **not** reportable to the TRS include:

1. Employer premium payments on behalf of members for health or dependent care expense accounts or any employer contribution for health, medical, pharmaceutical, disability, life, vision, dental, or any other insurance.
2. Any employer payment or reimbursement for professional membership dues, maintenance, housing, day care, automobile, travel, lodging, entertaining expenses, or any similar payment for any form of maintenance, allowance, or expenses.
3. The imputed value of health, life, or disability insurance.
4. Any non-cash benefit provided by an employer to or on behalf of an employee.
5. Any lump-sum payment of unused, accumulated sick or annual leave, excess leave balance payments, any early retirement incentive severance payment, or one-time incentives or bonuses.

If the amounts identified in 1 through 5, above, have been converted and continuously reported as earned compensation for all employees of the employer, in like amounts, for at least the five fiscal years preceding the member's retirement, the amounts may be included in the calculation of the average final compensation (AFC). If these amounts have been reported as earned compensation for fewer than five fiscal years or if the member has been given the option to have the amounts reported as earned compensation, any amounts reported in the three year period that constitute AFC must be included as if the payments were termination pay under Option 2.

The employer **must** certify to the TRS, for each retiring member, the amounts converted to earned compensation and reported to the TRS in each of the five years that will precede a member's retirement.

For information on reportable and non-reportable earned compensation for **working retirees** please refer to section 8.

## SABBATICAL LEAVE

If a TRS member applies for and is granted a sabbatical leave, a copy of the sabbatical agreement must be provided to the TRS in the fiscal year in which the sabbatical occurs.

A TRS member who has been granted a sabbatical leave, providing a percentage of their base contract be paid, will be awarded one month of service credit for each month of paid leave up to a maximum of their base contract. The TRS will award the service credit upon the member's return to their TRS covered employment following the sabbatical leave. The member **must** contact the TRS to request an audit of their account. Upon review and determination by the TRS that the terms of the sabbatical leave have been satisfied, the member's account will be adjusted to reflect the corrected service credit for the fiscal year affected by the sabbatical leave.

## RATE HISTORY

### EMPLOYEE CONTRIBUTION RATE HISTORY

FISCAL YEAR	CONTRIBUTION RATE
07/01/36 - 06/30/73	5.000%
07/01/73 - 06/30/75	5.125%
07/01/75 - 06/30/77	6.125%
07/01/77 - 06/30/83	6.187%
07/01/83 - 06/30/99	7.044%
07/01/99 – Present	7.150%

### EMPLOYER CONTRIBUTION RATE HISTORY (STATE & UNIVERSITY)

FISCAL YEAR	CONTRIBUTION RATE
07/01/37 - 06/30/45	NONE
07/01/45 - 06/30/59	3.750%
07/01/59 - 06/30/69	4.000%
07/01/69 - 06/30/71	4.500%
07/01/71 - 06/30/73	5.125%
07/01/73 - 06/30/75	5.250%
07/01/75 - 06/30/77	6.250%
07/01/77 - 06/30/81	6.312%
07/01/81 - 09/30/81	6.432%
10/01/81 - 06/30/83	6.463%
07/01/83 - 06/30/85	7.320%
07/01/85 - 06/30/89	7.428%
07/01/89 - 12/31/93	7.459%
01/01/94 - 06/30/07	7.470%
07/01/07 - 06/30/09	9.470%

### EMPLOYER CONTRIBUTION RATE HISTORY (SCHOOL DISTRICTS, COUNTIES, & COMMUNITY COLLEGES)

FISCAL YEAR	CONTRIBUTION RATE
07/01/37 - 06/30/45	NONE
07/01/45 - 06/30/59	3.750%
07/01/59 - 06/30/69	4.000%
07/01/69 - 06/30/71	4.500%
07/01/71 - 06/30/73	5.125%
07/01/73 - 06/30/75	5.250%
07/01/75 - 06/30/77	6.250%
07/01/77 - 06/30/81	6.312%
07/01/81 - 09/30/81	6.432%
10/01/81 - 06/30/83	6.463%
07/01/83 - 06/30/85	7.320%
07/01/85 - 06/30/89	7.428%
07/01/89 - 12/31/93	7.459%
01/01/94 - Present	7.470%

### TIAA-CREF RATE HISTORY (UNIVERSITY)

FISCAL YEAR	CONTRIBUTION RATE
07/01/97 - 06/30/98	2.81%
07/01/98 - 06/30/99	3.12%
07/01/99 - 06/30/00	3.42%
07/01/00 - 06/30/01	3.73%
07/01/01 - 06/30/07	4.04%
07/01/07 - Present	4.72%

## RATE HISTORY, CONT.

### MEMBER'S ACCOUNT INTEREST RATE HISTORY

FISCAL YEAR	INTEREST RATE
07/01/37 – 06/30/39	4.00%
07/01/39 – 06/30/43	3.00%
07/01/43 – 06/30/55	2.50%
07/01/55 – 06/30/59	3.00%
07/01/59 – 06/30/63	3.50%
07/01/63 – 06/30/66	4.00%
07/01/66 – 06/30/67	4.25%
07/01/67 – 06/30/68	4.50%
07/01/68 – 06/30/69	4.75%
07/01/69 – 06/30/70	5.00%
07/01/70 – 06/30/71	5.25%
07/01/71 – 06/30/80	5.50%
07/01/80 – 06/30/81	7.00%
07/01/81 – 06/30/87	8.00%
07/01/87 – 06/30/92	7.00%
07/01/92 – 06/30/96	6.00%
07/01/96 – 06/30/02	5.50%
07/01/02 – 06/30/03	4.50%
07/01/03 – 06/30/07	4.00%
07/01/07 – Present	5.00%

